



MERCATOR GOLD PLC

5 February 2007

Dear Shareholder

EXTRAORDINARY GENERAL MEETING

As you may recall, at the Company's Annual General Meeting on 24 November 2006 we did not proceed with resolutions 6 and 7, which were to authorise the Board to issue shares, as directors felt that on reflection it was not necessary to set the upper limit of this authority at the level then proposed. However, the Board is now recommending that shareholders should authorise the Board to issue new share capital up to a nominal amount of £1 million, which is equivalent to 10 million shares, in order to give the Board some degree of flexibility in the future raising of funds, or the acquisition of other properties.

Consequently, an Extraordinary General Meeting will be held at Mercator Gold plc's offices at 3rd Floor, Peek House, 20 Eastcheap, London EC3M 1EB on Wednesday 28 February 2007 at 9.30am to consider and, if thought fit, to approve the resolutions to this effect.

Yours faithfully

Terrence Strapp
Chairman

3rd Floor, Peek House, 20 Eastcheap, London EC3M 1EB
Tel +44 (0)20 7929 1010 Fax +44 (0)20 7919 1015
Email: info@mercatorgold.com www.mercatorgold.com



MERCATOR GOLD PLC

(the "Company")
(Company Number :05079979)

NOTICE OF EXTRAORDINARY GENERAL MEETING

to be held at the offices of Mercator Gold plc,
3rd Floor, Peek House, 20 Eastcheap, London EC3M 1EB
on 28 February 2007 at 9.30am

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the Company will be held at the offices of Mercator Gold plc, 3rd Floor, Peek House, 20 Eastcheap, London EC3M 1EB on 28 February 2007 at 9:30am. The business of the meeting will be:

To consider and if thought fit, to pass the following resolutions which will be proposed as to resolution 1 as an ordinary resolution and as to resolution 2 as a special resolution.

Ordinary Resolution

1. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ("the Act") to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £1,000,000, such authority to expire at midnight on the date being fifteen months from the passing of this resolution or, if earlier, on the date of the next Annual General Meeting after the passing of this resolution (unless previously revoked, varied or extended) but so that such authority shall allow the Company to make offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority had not expired. This authority shall be in substitution for any authority previously given to the Directors under section 80 of the Act, to the extent unused.

Special Resolution

2. THAT the Directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) pursuant to the general authority conferred by resolution 1 as set out above for cash as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

(i) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;

(ii) up to an aggregate nominal value of £1,000,000;

and shall expire on the date being fifteen months from the passing of this resolution or, if earlier, on the date of the next Annual General Meeting after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

DATED this 5th day of February 2007

By order of the Board:

M J de Villiers

Secretary

Registered office:

3rd floor, Peek House

20 Eastcheap

London EC3M 1EB

Notes

1. Any member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A proxy need not preclude a member of the Company from attending and voting at the above meeting if he so desires. To be valid, any appointments of proxies must be deposited at Capita IRG plc, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 48 hours before the time at which the meeting is scheduled to commence.
2. The following information, which is available for inspection during normal business hours at the registered office of the Company, from the date of this notice until the date of the Extraordinary General Meeting, will also be available for inspection at the place of the Extraordinary General Meeting for a period of 15 minutes prior to the meeting and until the conclusion of the meeting:
 - a. Register of interests of Directors in the share capital of the Company;
 - b. Copies of service contracts of Directors of the Company;
 - c. Articles of Association of the Company.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the Company specifies that only those shareholders registered at 9:30am on 26 February 2007 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 9:30am on 26 February 2007 will be disregarded in determining the rights of any person to attend or vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent, Capita IRG plc (whose CREST ID is RA10) by the specified latest time(s) for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure his/her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by a particular time. In this connection, CREST members and, where applicable, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 355(A) of the Uncertificated Securities Regulations 2001.



MERCATOR GOLD PLC

Company Number 05079979

FORM OF PROXY

PLEASE USE BLOCK CAPITALS

I/We _____ *(Please insert full name(s))*

of _____ *(Please insert address)*

being a member/members of Mercator Gold plc hereby appoint the Chairman of the Meeting

or _____

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on 28 February 2007 at the offices of Mercator Gold plc, 3rd Floor, Peek House, 20 Eastcheap, London EC3M 1EB at 9:30am and at any adjournment thereof.

I wish this proxy to be used in connection with those of the Resolutions to be proposed at the Extraordinary General Meeting which are listed below, in the manner set out below, and in connection with any other ordinary business transacted at the meeting.

Dated this _____ day of _____ 2007

Signature _____

Please indicate with an "X" in the spaces below how you wish the proxy to vote. Unless otherwise instructed the proxy will at his discretion vote as he thinks fit or abstain from voting in relation to any business of the meeting.

	FOR	AGAINST
1. Ordinary Resolution to authorise the Directors to allot relevant securities pursuant to section 80 of the Companies Act 1985.		
2. Special Resolution to authorise the Directors to allot equity securities pursuant to section 95 of the Companies Act 1985.		

Notes

- This Form of Proxy is for the use of shareholders only and will be used only for the purpose of demanding or voting on a poll.
- A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote on the member's behalf. If it is wished to appoint as proxy someone other than the Chairman of the meeting, delete the words 'the Chairman of the Meeting' and insert in block capitals the full name of the person(s) to be appointed as proxy, initialling the alteration. A proxy need not be a member of the Company.
- Completion and return of this Form of Proxy will not preclude a member of the Company from attending and voting in person at the meeting or at any adjournment thereof, if they so choose.
- Any alteration to this Form of Proxy must be initialled.
- To be effective this Form of Proxy must be lodged at the address overleaf 48 hours before the meeting, or, in the case of CREST members, by using the CREST electronic proxy appointment service. CREST members should refer to note 4 to the notice of Extraordinary General Meeting in relation to the submission of a proxy appointment via CREST.
- In the case of a corporation, this Form of Proxy must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
- In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be shown.

FOLD 1

FOLD 2

AFFIX
STAMP

Capita IRG Plc
Proxy Department
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

FOLD 3
(then turn in)